

PERFORMANCE MEASUREMENT MATTERS

DEPARTMENT OF MANAGEMENT & BUDGET

Fairfax County, Virginia

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FY 2000 Budget Emphasizes Performance/Continuous Improvement

The theme of the FY 2000 Advertised Budget Plan, which was released on February 22, 1999, can best be summarized as the financial plan for a high-performance organization that strives for continuous improvement. In his letter transmitting the budget to the Board of Supervisors, County Executive Bob O'Neill stressed a number of initiatives related to performance both Countywide and on the individual employee level.

The ongoing work of several task forces is closely related to the performance measurement (PM) initiative begun in 1997. In its work, the Compensation Task Force identified two overriding factors: (1) the County's compensation system must be competitive within specific markets for recruitment and retention; and (2) the employee evaluation system must be aligned closely with position responsibilities and performance standards. Pay should be based on performance and not primarily on longevity. The FY 2000 Budget includes recommendations to begin revising the process on how to competitively compensate employees based on the realities of the marketplace, and tie compensation closer to performance, with flexibility in recognition and rewards for superior achievement, while paying for this cost within projected resources.

A new Department Head Evaluation System was also implemented in FY 1999 that includes direct links to departmental performance in meeting both short- and long-term goals.

The Competition Task Force was formed to define and explore methods to ensure that the provision of County services is competitive with public and private sector

alternatives. As envisioned, the Competition Model will provide the County with a method for proving the best competitive method or alternative available for delivering County services. The model is expected to utilize a variety of tools such as benchmarking, performance measurement, and business process redesign to achieve the goal of high quality, cost-effective services.

Since continuous improvement is essential in a high-performance organization, the County must invest in its employees. The Managerial Development and Leadership Training Task Force is reviewing various approaches for developing management and leadership skills within the workforce.

As noted by the County Executive, "The FY 2000 Advertised Budget Plan includes the next steps in our multiyear plan of continuous improvement. Many of the issues we will discuss concerning the FY 2000 Budget will be challenging. Addressing these challenges is essential if we desire an organization that values responsiveness, flexibility and accountability. As a high-performance organization, we must strive for improvement and not fear the risk of new endeavors."

Let's Do Lunch

As part of the Countywide effort to share and learn more information about performance measurement (PM), a bi-monthly brownbag lunch series has been launched. The first was held on February 9, 1999 and was well attended by staff from a variety of agencies including County Executive, Bob O'Neill. The purpose of these lunches is to informally share information on common problems faced, as well as discuss solutions.

The first session was a general overview of where we have been and where we are going with performance measurement in Fairfax County. A call for future topics resulted in selecting **human service-type outcomes** for the April 6 Brownbag Lunch. Suzanne Neuschatz of the Department of Family Services will co-facilitate that session which will be held in Room 120C in the Government Center at noon. If you have suggestions for future lunch topics, please contact Barbara Emerson at 324-3009 (email BEMERS). The

next one after April's will be held June 8, at noon, in Room 120C.

UPCOMING TRAINING

The PM Team will be offering the following training. Call 324-3009 by the deadline indicated. You will receive confirmation of your registration.

<u>Date</u>	<u>Time</u>	<u>Class</u>
APR 29	8:30-11:30 a.m. 1:00-4:00 p.m.	<i>Data Collection</i>
APR 30	8:30-11:30 a.m. 1:00-4:00 p.m.	<i>Surveying</i>

Note: two half-day classes of each. Please indicate whether you want to attend morning or afternoon session.

Deadline: April 16, 1999.

MAY 6	8:30-11:30 a.m. 1:00-4:00 p.m.	<i>Basic PM</i>
MAY 7	8:30-11:30 a.m. 1:00-4:00 p.m.	<i>Basic PM</i>

Deadline: April 23, 1999

MAY 24	8:30-11:30 a.m. 1:00-4:00 p.m.	<i>Advanced PM</i>
MAY 25	8:30-11:30 a.m. 1:00-4:00 p.m.	<i>Advanced PM</i>
MAY 26	8:30-11:30 a.m. 1:00-4:00 p.m.	<i>Advanced PM</i>

Prerequisite: Basic PM; teaches how to manage with PM.

Deadline: May 16, 1999

As above, each class is ½ day; please indicate which session you want to attend. All training is at the Government Center. When your registration is confirmed, you will be notified of the room.

Performance Measurement Matters is published quarterly by the PM Team. Editor: Barbara Emerson, Technical Support by Frann Mummert, Department of Management and Budget. Advisory staff: Sara Simmons, Department of Planning and Zoning.

Benchmarking: An Introduction

It doesn't matter how good your organization is, or how well your services and products are regarded, you can't risk becoming complacent. You can't afford to stop improving. And you can't stand still because your competition is constantly improving.

"But we're government," you say. "We don't have competition. We're the only game in town." That could be true IF people did not vote with their feet (by moving to another jurisdiction) or at the ballot box by electing individuals who will provide the service they desire.

In recent years, governments have found that they must work as hard (or harder) than the private sector to satisfy their customers, the taxpayers.

A tool available to assist governments such as Fairfax County to continually improve is **benchmarking**. A good definition of benchmarking taken from the July 1992 *Quality Digest* is:

"The practice of being humble enough to admit that someone else is better at something and being wise enough to try to learn how to match and even surpass them at it."

Used as part of a comprehensive system of performance measurement, benchmarking can help organizations identify areas of improvement, as well as direct them toward "best practices."

In the public sector, benchmarking has generally taken one of the following forms:

- Comparison of performance statistics
- Targets as benchmarks
- Corporate-style

The first is the type on which we typically focus. Performance statistics can be compared 1) within an agency over time; 2) with other County agencies (internal); or 3) with national standards or other jurisdictions (external).

In the second type, a government sets benchmarks, sometimes arbitrarily, of what its targets will be and then focuses its efforts on meeting them. One of the most familiar examples of this type is the Oregon Benchmarks. The Oregon Progress Board, as part of creating a strategic vision for the state, established a set of benchmarks focused on student achievement, housing affordability, teen pregnancy, etc.

An organization, using the third approach, corporate-style benchmarking, focuses more narrowly on one or two key processes, identifies outstanding performers of those processes, analyzes them in detail,

and adapts the best practices for their own use.

In Fairfax County, various agencies have embarked on their own benchmarking efforts. The Department of Purchasing and Supply Management uses national standards to compare its performance, identify any gaps, and implement improvements as necessary. Many departments have done some type of benchmarking on an ad hoc basis while others are in the process of applying the principles to their organizations. Benchmarking has been identified as an area that we as a county want and need to develop a better capability.

The PM Team is studying the advantages of a standard recommended approach and anticipates coordinating additional training in this area. However, agencies should not think they have to wait for additional guidance to embark on benchmarking. If you want to learn more about this topic, feel free to contact a PM Team member and/or visit the PM Library in Suite 561 of the Government Center. Please call first to make sure it's available (324-3009).

ON LEADERSHIP

The best leaders use oral and written praise to guard their organizations against the "extinction theory" which is:

Good performance that goes unacknowledged will gradually disappear.

WANTED

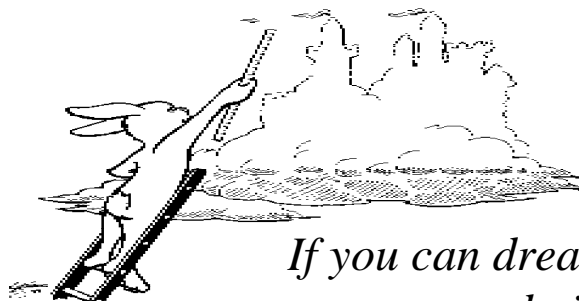
Since being formed in 1997, a key principle of the Performance Measurement (PM) Team has been to include representation from agencies outside of the Department of Management and Budget. It is considered absolutely crucial to the success of the effort to have input from agencies with different perspectives. As a result, agency personnel from Public Works, Internal Audit, Human Services, Planning and Zoning, and Purchasing have participated, providing critical support to the PM effort.

It has become typical for members to participate for approximately a year; however, this is not limited.

The Team is now seeking 1-2 new members. Interested individuals should be team players with initiative and a Countywide perspective; good communication skills; willing to meet every other week for 1-2 hours at the Government Center, as well as able to handle some assignments outside of regular meetings. It is important that the employee have the approval and support of his/her agency director and direct supervisor. Benefits to the agency of team participation include enhanced understanding of the County's PM methodology and the opportunity to influence the future direction of this effort.

If you are interested in participating on the PM Team, please send a brief synopsis of your skills and how your participation will benefit you, your agency and the County. Please indicate as well your agency director's approval. Forward this to The PM Team, c/o DMB by **May 21, 1999**.

This quarterly newsletter and other PM materials are available on the County Intranet at <http://infoweb/omb/pfmeasure.htm>



*If you can dream it,
you can do it.*

— Walt Disney